



HRS Newsletter

Issue 1, October 2002

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Letter From the Director

It is with deep sadness that I inform you of the death of Dr. Regula Herzog. Many members of the HRS staff worked closely with her and will miss her presence and generosity both on a personal and professional level. In her memory, I wanted to tell you about just a few of her many contributions to the HRS.

The HRS is a unique dataset, with tremendous potential for informing policy about the lives of older people in the U.S. Through her intellectual leadership, her broad vision and her attention to detail, Dr. Herzog was responsible for many of the aspects that make it such an extraordinary resource.

Dr. Herzog was a key member of the team from the Institute for Social Research (ISR) at the University of Michigan that won the National Institute on Aging's (NIA) competition for the HRS in 1990. As a psychologist and gerontologist, Dr. Herzog played an important role in designing an interdisciplinary HRS that would provide the data needed to conduct meaningful analyses that crossed fields of study.

In addition to being part of the original HRS grant team, Dr. Herzog was part of a group of five who planned, proposed, and won a grant from NIA to fund the Asset and Health Dynamics Among the Oldest Old study (AHEAD). When the HRS and AHEAD studies were merged in 1998, Dr. Herzog led the complex effort to harmonize the psychological and health measures in the two surveys.

Throughout the history of the HRS and AHEAD, Dr. Herzog had chief responsibility for developing psychological health, physical health, and disability measures for both studies -- such as measures of depression, cognition, dementia, and Activities of Daily Living/Instrumental Activities of Daily Living (ADL/IADL). She had an important supervisory role in the coordination of all health dimensions of the HRS. In addition, she was a nationally recognized expert on incontinence in older people and her expertise was applied in important ways to the HRS.

Data Alerts

When our staff becomes aware of an error in the HRS datasets, codebooks, or other components, a data alert is posted on the HRS home page at:

<http://hrsonline.isr.umich.edu/>.

Recent Data Releases and New Products

[HRS 2000 Exit Imputation Release \(Version 1.0\)](#),
September 20, 2002

[HRS 1996 Imputation Release \(Version 2.0\)](#), September 6, 2002

[HRS 2000 Core Final \(Version 1\) Data Release](#),
September 5, 2002

[Debut of Relocated and Updated HRS Web Site](#),
September 1, 2002

To view a full list of HRS data releases, go to the [HRS home page](#).

For a schedule of planned and completed data releases, visit the [What's Available](#) section of our website.

Several years ago, Dr. Herzog convened a group of experts to discuss how the HRS could be used to help study the monetary and time costs of dementia on families and society. While the HRS has many strengths, they suggested that a weakness was that the measures for cognitive status were primarily based on self-reports. The experts felt that these measures were quite likely to be correlated with widely accepted clinical measures of dementia, but that such measures would need to be validated before researchers would fully exploit the potential of the HRS for studying the cost and impact of dementia.

In response to such suggestions, Dr. Herzog took the lead role in obtaining major funding from NIA to conduct an in-home clinical assessment of a stratified subsample of 850 HRS respondents over the age of 70. This project, called the Aging, Demographic, and Memory Study (ADAMS), is currently in the field. When completed, I believe that ADAMS will provide an unprecedented body of data containing both detailed clinical and longitudinal survey data. It will greatly advance our understanding of the social and economic impacts of dementia as they play themselves out over the course of the disease. Moreover, if the survey cognitive scales that Dr. Herzog put in the HRS are indeed closely correlated with clinical measures of dementia, it will be possible for researchers to gain considerable statistical power by combining data from the 850 persons in the dementia subsample with survey data from the full sample.

In the days before Dr. Herzog died, she shared with me many of her hopes for the future direction of the HRS. Those shared hopes as well as her ideas and vision already embodied in the HRS form a lasting scientific legacy that will bear fruit far into the future.

Sincerely,



Robert J. Willis

A more detailed description of the [ADAMS](#) study and a full list of Dr. Herzog's HRS publications and reports are available [below](#).

Upcoming Data Releases

In the next few months, the HRS staff anticipates the release of several datasets, including:

Public Datasets

- *1995 AHEAD Exit Version 2, late 2002*
- *HRS Tracker file Version 3, late 2002.*
- *2001 Mail-Out partial Early Release, late 2002*
- *2002 Core Early Release, early to mid-2003*

Restricted Data Releases

- **HRS 2000 National Death Index, late 2002**
- **AHEAD earnings and benefits restricted data files:** Files are complete and will be released upon formal approval from the Social Security Administration.
- **Industry and Occupation:** Preparation of datasets covering HRS 1994, HRS 1996 and HRS 2000 is underway. Completion is tentatively scheduled for early 2003.
- **Geographic Information:** Preparation of datasets containing state-level information provided by respondents in the 1993 through 2000 HRS and AHEAD is underway. Completion is tentatively scheduled for early 2003.

Other Products:

- [New Pension Estimation Program is Under Development](#)

The HRS Concordance:

A Search Engine for Locating Specific Questions in the HRS

To assist [HRS](#) researchers in identifying questions that pertain to their research topics, HRS staff have designed and implemented a database containing metadata information derived from the codebooks of HRS and [AHEAD](#) public data releases. The search system allows users to retrieve codebook information by year (1992-2000), section, interest area, category and/or sub-category. A free-text search feature is also available. Users may choose from a variety of display formats and sort options.

To use the Concordance, go directly to <http://hrsweb.isr.umich.edu/concord/>.

For additional documentation of the Concordance's capabilities, visit <http://hrsweb.isr.umich.edu/concord/UserNotes.htm>.

Researchers who are familiar with the previous version of the Concordance will note that it has been redesigned to include additional search options.

The new HRS Concordance is still under construction and HRS staff are interested in your feedback about the design or suggested features. While we cannot promise that we will be able to implement all of them, we hope that you will send your recommendations to hrsquest@isr.umich.edu.

Upcoming Events

GSA - November 22-25, 2002 (Booth #201): The HRS will have an exhibit booth at the Gerontological Association of America in Boston. Staff will be available to answer questions about the HRS and assist users with various features of the website.

ASSA – January 3-5, 2003 (Booth #302A): The HRS will have an exhibit booth at the Allied Social Sciences Association's annual meetings in Washington, D.C. at the Washington Convention Center. Staff will be available to answer questions about the HRS and assist users with various features of the website.

Selected Citations of Recent Publications Using HRS Data

Since the HRS' inception in 1990, over 400 articles have been published using HRS data.

This section of the newsletter includes recent publications (1999 - 2002) that illustrate the range and quality of the data available in the HRS:

Baker, David W., Joseph J. Sudano, Jeffrey M. Albert, et al. 2001. "Lack of Health Insurance and Decline in Overall Health in Late Middle Age." *New England Journal of Medicine*, 345(15):1106-12.

Bassett, William F. and Robin L. Lumsdaine. 2001. "Probability Limits- Are Subjective Assessments Adequately Accurate?" *Journal of Human Resources*, 36(2):327-363.

Benitez-Silva, Hugo, Moshe Buchinsky, Hiu Man Chan, et al. 1999. "An Empirical Analysis of the Social Security Disability Application, Appeal, and Award Process." *Labour Economics*, 6(2):147-78.

Freedman, Vicki A., Hakan Aykan, and Linda G. Martin. 2001. "Aggregate Changes in Severe Cognitive Impairment Among Older Americans: 1993 and 1998." *Journals of Gerontology: Social Sciences*, 56B(2):S100-S111.

Recent Findings Based on the HRS

Expected Bequests and their Distributions

Michael D. Hurd and James P. Smith

Executive Summary

Michael Hurd and James Smith use [HRS](#) data on current wealth, self-reported probabilities of bequests, and actual bequests (from [AHEAD](#) exit interviews) to develop a new method for estimating the magnitude of future bequests. Using the HRS data and the authors' bequest estimates, they examine issues such as changes in the magnitude of bequests that will be left by different HRS cohorts, how respondents will distribute those bequests among their children, the flow of bequests when one spouse's death precedes the other's, and the equity of bequests across families. Finally, they estimate how much of their savings HRS households will spend (or, dissave) in order to finance their own consumption at older ages.

The Data

This study used 1992 to 1998 HRS and AHEAD data on respondents from all cohorts, thus providing a sample of people who live in the U.S. covering the full age range of 51 and older. The variables they use in their analysis include:

- **Household wealth:** In their measure of household wealth, the authors include house value and mortgage, other real estate, vehicles, business equity, IRA and Keogh, stocks and mutual funds, checking, savings, money market funds, CD's, government savings bonds and treasury bills, other bonds, and other assets, less other debt.
- **Self-Reported probabilities of bequests:** These are HRS respondents' self-reports about the probability that they will leave a bequest greater than \$0, at least \$10,000, or at least \$100,000. First, respondents were asked, "Using a number between 0 and 100 what are the chances that you (and your wife/husband partner) will leave an inheritance of at least \$10,000?" with 0 being absolutely no chance and 100 being absolutely certain. If the answer was 31 or greater, the respondent was asked about the chance of leaving a bequest of \$100,000 or more. Otherwise, the respondent was asked about the probability of leaving any inheritance at all.
- **Actual bequests/how they are divided among heirs:** During each new wave of the study, the HRS and AHEAD attempt to conduct an exit interview, with a proxy, for each respondent who has died since the previous wave. The exit interviews include detailed questions about any bequests the respondent may have left and to whom they were left. The resulting data have the advantage of providing bequest information on all sectors of the population, instead of just the very wealthy sectors that are described in the majority of studies on

Gallo, William T., Elizabeth H. Bradley, Michele Siegel, et al. 2001. "The Impact of Involuntary Job Loss on Subsequent Alcohol Consumption by Older Workers." *Journals of Gerontology: Social Sciences*, 56B(1):S3-9.

Gustman, Alan L. and Thomas L. Steinmeier. 2001. "How Effective Is Redistribution Under the Social Security Benefit Formula?" *Journal of Public Economics*, 82(1):1-28.

Hughes, Mary E. and Linda J. Waite. 2002. "Health in Household Context: Living Arrangements and Health in Late Middle Age." *Journal of Health and Social Behavior*, 43(1):1-21.

Langa, Kenneth M., Michael E. Chernew, M. Kabeto, et al. 2001. "National Estimates of the Quality and Cost of Informal Caregiving for the Elderly With Dementia." *Journal of General Internal Medicine*, 16:770-778.

Mellor, Jennifer M. 2001. "Long-Term Care and Nursing Home Coverage: Are Adult Children Substitutes for Insurance Policies?" *Journal of Health Economics*, 20(2001):527-47.

Mitchell, Olivia S., B. Hammond, and A. Rappaport, eds. 2000. *Forecasting Retirement Needs and Retirement Wealth*, Philadelphia: Univ. of

bequests (typically based on estate records). This paper uses data on proxy-reported bequests from 771¹ exit interviews from wave 2 of the AHEAD study. By linking the 1995 exit data to data from wave 1 of the AHEAD study, the authors are able to include in their analysis detailed information about the deceased during the years prior to their death.

Methodology

The authors use several variables to estimate future bequests for each HRS respondent, as well as how these bequests are expected to be divided among potential heirs. Self-reported probabilities of bequests were used in combination with actual wealth to determine an estimated bequest for each HRS respondent.

First, the authors calculated a distribution of likely bequests in the HRS sample without assigning bequest values to specific people. They then divided the distribution of likely bequests into three intervals (the probability of leaving a bequest of \$1 - \$9,999, \$10,000 - \$999,999, or \$100,000 or more). The distribution of actual wealth was divided into three intervals as well, so that each one of those intervals corresponded with one of the three intervals in the distribution of likely bequests.

Once the distributions and the intervals within them were set, the authors used them to assign a specific bequest value to each HRS participant. The intervals of the two distributions were matched (e.g., bequests of \$10,000 or more with the corresponding interval for actual wealth) and each respondent was assigned the bequest value that fell at the same percentile within their interval, as the percentile within the corresponding interval of his or her actual wealth.

The authors then used the exit data, from the actual reports from 771 AHEAD interviews, to determine how these estimated bequests were likely to be split among potential heirs.

Summary of Major Findings

- *Expected bequests, by cohort*

- Many of the children of HRS respondents (one in five) will not receive any bequest. The median total bequest that respondents will leave will be about \$46,700 for members of the AHEAD cohort and about \$99,500 for War Baby respondents (born 1942 – 1947). These bequests will then be divided among respondents' spouses, children, and others. The median bequest to be received by children of respondents in the AHEAD cohort is about \$8,000 and the median bequest that will be received by children of War Baby respondents is \$19,200.

- *Equity of bequests*

- There is considerable inequality in the estimates of expected bequests. The authors estimate that parents in different

¹ Note that the authors used 771 of the full sample of 775 AHEAD wave 2 exit interviews.

Pennsylvania Press.

Sloan, Frank A., V. Kerry Smith, and Donald H. Taylor, Jr. 2003. *Parsing the Smoking Puzzle: Information, Risk Perception, and Choice*, Cambridge: Harvard University Press.

United States General Accounting Office. 2001. "Record Linkage and Privacy: Issues in Creating New Federal Research and Statistical Information." U.S. General Accounting Office, GAO-01-126SP.

For a list of over 400 articles published using HRS data, visit [the HRS bibliography](#), or search our [dynamic bibliography](#) by publication type, subject, author, title. For published and non-published articles and reports, visit the [HRS index of papers and publications](#).

If you are aware of publications that utilize HRS data but are not included on this list or have an upcoming publication, please click here for instruction on how to [register your paper](#) so that we can include it in our bibliography.

families will leave very different amounts to their children. For example, among parents who were born 1942 to 1947, those in the 10th percentile will not leave any bequests to their children. Parents in the 25th percentile will leave a relatively small bequest, only \$2,900 per child. However, parents in the 90th percentile will leave nearly \$187,000 to each of their children.

The table below shows additional information about how much parents in different cohorts are expected to leave, per child, by percentile.

Distribution of expected inheritances (thousands per child, weighted)					
Percentile	Cohort of parents				
	1923 or earlier	1924-1930	1931-1941	1942-1947	
5.0	0.0	0.0	0.0	0.0	
10.0	0.0	0.0	0.0	0.0	
25.0	0.7	0.5	1.5	2.9	
50.0	7.7	7.8	12.1	19.2	
75.0	37.1	41.6	52.2	65.1	
90.0	111.0	110.9	134.2	186.7	
95.0	191.3	195.3	237.0	381.9	
<i>Mean inheritance</i>	<i>47.1</i>	<i>44.8</i>	<i>69.8</i>	<i>86.5</i>	
<i># of children in family</i>	<i>2.75</i>	<i>3.18</i>	<i>3.30</i>	<i>2.60</i>	

- Median total expected bequests being left increase steadily across birth cohorts (e.g., the median bequest left by those in the 1942-1947 cohort is about \$100,000 – more than twice that of the median bequest of \$41,500 left by those born in 1923 or earlier), as do median bequests per child.
- ***The division of expected estates among heirs***
Based on the 771 exit interviews from wave 2 of the AHEAD study, the authors found that:
 - Most financial inheritances are bequeathed to immediate family, with those outside of the immediate family receiving only 10% of total bequests.
 - Most bequests are ultimately left to children. When the first spouse in a couple dies, an average of 22% of the bequest is left to his or her children. About eighty percent of the wealth from all estates is eventually bequeathed to children.
 - Parents generally give equal inheritances to each of their children. In multiple child families, 81% bequeathed the same amount to each of their children.
 - Families with more children tend to leave smaller total

HRS In the News

A list of [news articles](#) that cite the HRS can be found on our web page. Full text of selected [press releases](#) can also be viewed on the HRS website.

The study staff continues to acquire citations for articles that appear in the media regarding the HRS. We would greatly appreciate being alerted to any items of which you are aware. Please send the references or a copy of the article to:

Institute for Social Research
Attn: HRS Publications
426 Thompson St., #3050
Ann Arbor, MI 48104-1248

or by email to:

hrequest@isr.umich.edu.

bequests, which are then shared among a larger number of children.

- ***The extent of dissaving that will occur at older ages***
 - The authors find “unambiguous evidence” that households intend to spend their savings, or dissave, at older ages. For example, they estimate that households of respondents who are 70-74 years of age will spend about 61% of their current assets, bequeathing the remainder.
- ***The response of bequest intentions to unanticipated wealth increases in the 1990s***
 - Intentions to bequeath were affected by the wealth shock that occurred as a result of dramatic gains made in the stock market in the 1990s. The authors found that households that experienced gains expected to bequeath about 53% of a wealth change that could plausibly be characterized as exogenous (i.e., the wealth change is uninfluenced by participants’ desires to bequeath).

Conclusions

Most people leave the majority of their money to members of their family (with spouses and children receiving nearly all of this) when they die. If there is no remaining spouse, most respondents (81%) divide their bequests equally among their children. Although a few respondents will leave significant bequests, the typical bequest received by each of their children will not be more than a few thousand dollars.

All cohorts reported lower average expected bequests than wealth, implying that they expect significant dissaving before death (for example, they estimate that households of respondents who are 70-74 years of age will dissave about 61% of their current assets, bequeathing the remainder). The authors found that households expect to bequeath about 53% of a wealth change that can plausibly be characterized as exogenous. There was also evidence of a bequest motive -- the fact that 22% of the estate is bequeathed to children after the death of the first spouse.

The Aging, Demographic, and Memory Study (ADAMS): A Supplement to the HRS

ADAMS' primary purpose is to conduct an in-home clinical assessment of dementia on a subsample of approximately 850 older (age 70+) HRS respondents. Respondents with likely dementia and borderline cognitive impairment (as defined by the cognitive screening from the most recent HRS wave) were oversampled. The diagnostic information obtained from this study will include a final diagnosis and severity rating, along with the full array of data from the assessment protocols. These data will be combined with the HRS panel data for the 850 assessed cases, thereby providing the research community with national longitudinal data for studies of the costs and economic consequences of medically diagnosed dementia.

This project is funded by the National Institute on Aging and is a joint effort by the University of Michigan and Duke University. The sample selection, initial contacts with sampled respondents, and compilation of final data files are being conducted by HRS staff at the University of Michigan. Field assessments and entry of clinical data are being done by research staff at Duke University. A follow-up clinical assessment will be conducted with about 30% of

Citations of Papers, Publications, and Documentation Reports Co-authored by Dr. Regula Herzog

- Belli, Robert F., A. Regula Herzog, and John Van Hoewyk. 1999. "Scale Simplification of Expectations for Survival: Cognitive Ability and the Quality of Survey Responses." *Cognitive Technology*, 4(2): 29-38.
- Fonda, Stephanie J. and A. Regula Herzog. 2001. "Patterns and Risk Factors of Change in Somatic and Mood Symptoms Among Older Adults." *Annals of Epidemiology*, 11: 361-368.
- Fonda, Stephanie J., Robert B. Wallace, and A. Regula Herzog. 2001. "Change in Driving Patterns and Worsening Depressive Symptoms Among the Elderly." *Journals of Gerontology, Social Sciences*, 56B(6):S343-351.
- Fultz, Nancy H., A. Regula Herzog, T.E. Raghunathan, Robert B. Wallace, et al. 1999. "Prevalence and Severity of Urinary Incontinence in Older African American and Caucasian Women." *Journal of Gerontology*, 54(6):M299-M303.
- A. Regula Herzog and Robert B. Wallace. 1997. "Measures of Cognitive Functioning in the AHEAD Survey." *The Journals of Gerontology: Social Sciences* 52B(Special Issue):37-48.
- Knauper, Barbel, Robert F. Belli, Daniel H. Hill, A. Regula Herzog. 1997. "Question Difficulty and Respondents' Cognitive Ability: The Impact on Data Quality." *Journal of Official Statistics*, 13(2): 181-199.
- Langa, Kenneth M., Michael E. Chernew, Mohammed Kabeto, A. Regula Herzog, et al. 2001. "National Estimates of the Quality and Cost of Informal Caregiving for the Elderly With Dementia." *Journal of General Internal Medicine*, 16:770-778.
- Langa, Kenneth M., Nancy Fultz, Sanjay Saint, Kabeto, M., A. Regula Herzog, et al. 2002. "Informal Caregiving Time and Costs for Urinary Incontinence in Older Individuals in the United States." *Journal of the American Geriatrics Society*, 50(4):733-737.
- Luoh, Ming-Ching and A. Regula Herzog. (Dec. 2002). "Individual Consequences of Volunteer and Paid Work in Old Age: Health and Mortality." *Journal of Health and Social Behavior*,
- Turvey, Carolyn L., S. Schultz, S. Arndt, Robert B. Wallace, and A. Regula Herzog. 2000. "Memory Complaint in a Community Sample Aged 70 and Older." *Journal of the American Geriatrics Society*, 48(11):1435-41.
- Turvey, Carolyn L., Robert B. Wallace, and A. Regula Herzog. 1999. "A Revised CES-D Measure of Depressive Symptoms and a DSM-Based Measure of Major Depressive Episodes in the Elderly." *International Psychogeriatrics*, 11(2):139-48.

the ADAMS sample approximately one year after the initial assessment to provide additional diagnostic information.

The target date for release of the files is October, 2004 for data from the initial assessments and May, 2005 for data from the follow-up assessments. Researchers will be required to go through a rigorous approval process before being permitted to access the ADAMS data.

Co-Principal Investigators

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Beth J. Soldo

Thomas L. Steinmeier

Robert B. Wallace

Wallace, Robert B. and A. Regula Herzog. 1995. "Overview of the Health Measures in the Health and Retirement Survey." *The Journal of Human Resources*, Volume 30(Supplement 1995):S84-S107.

Wray, Linda A., A. Regula Herzog, Robert J. Willis, and Robert B. Wallace. 1998. "The Impact of Education and Heart Attack on Smoking Cessation Among Older Adults." *Journal of Health and Social Behavior*, Vol. 39(No.4):271-94.

Funding Opportunities

Methodology and Measurement in the Behavioral and Social Sciences
<http://grants1.nih.gov/grants/guide/pa-files/PA-02-072.html>

Social and Cultural Dimensions of Health
<http://grants1.nih.gov/grants/guide/pa-files/PA-02-043.html>

Data Analysis and Archiving in Demography, Economics, and Behavioral Research on Aging
<http://grants1.nih.gov/grants/guide/pa-files/pa-01-082.html>

Age-Related Changes in Reading and Oral Language Comprehension
<http://grants.nih.gov/grants/guide/pa-files/PA-01-002.html>

Newsletter Mailing List

If you would like to be removed from the mailing list for the HRS User Newsletter, we have provided you with three options for doing so:

1) If you remember your HRS username and password: Go directly to the HRS website, <https://ssl.isr.umich.edu/hrs/login.php>, and enter your username and password. Click where the web page says, "If you wish to view or change your personal information, click here". You can then uncheck the box for receiving announcements of newsletters, conferences and other items of interest to analysts.

2) If you remember your HRS username and the email address you used when you registered but not your password: go to our website at <https://ssl.isr.umich.edu/hrs/forgotten.php>. At that web page, you can enter your username and email address and a new password will be automatically emailed to you. Once you receive that email, follow the directions in option #1, above.

3) If you don't know your username or the email address you originally registered from: Please send an email to hrsrequest@isr.umich.edu. In the body of the email, include the following text: "Please take me off the list for announcements of newsletters, conferences, and other items of interest to analysts."

The Health and Retirement Study is funded by the National Institute on Aging at the National Institutes of Health and conducted by the Institute for Social Research at the University of Michigan.